

DRAFT - 5 October 1959

**PROPOSED REPLY TO ITEMS 2 AND 3
OF DIB MEMO DATED 9 SEPT. 1959**

CIA Programming Procedure
Centralization of Authority

1. I agree in general with the recommendations made concerning the desirability of treating project initiation and execution at a lower level than the Project Review Committee, and for delegating authority to Field Stations to provide for proper flexibility in the utilization of Agency assets. A number of positive steps have already been taken in that direction. For example:

a. Action has been taken to reduce the length of the programming cycle, and to utilize summary forecasts in connection with long range projections.

b. Authority has been delegated to DD/P to approve or adjust individual FI projects up to \$100,000 and PP projects up to \$25,000 without referral to the PRC. The DD/P has in turn delegated authority to Area Divisions to approve projects up to \$10,000.

c. Chiefs of Field Stations have for sometime now had the authority to adjust funds between FI projects up to 15 per cent of \$1,500, whichever is smaller; and the authority to adjust funds between Support activities without monetary limitations.

d. Effective for FY 1960 each Area Division receives a single allotment of funds and each field station receives a single sub-allotment of funds. The impediments, from a funding standpoint, to transferring resources between activities within an approved program have thereby been removed, although the PRC approval of certain projects remains a limiting factor.

2. As a further step in decentralizing authority in connection with individual project activities, I have ^{recently} ~~today~~ approved certain policy changes which will result in:

a. The PRC ~~will~~ discontinue placing funds limitations on individual projects but, instead, approve operating components by Program and Activity.

b. Authority ~~will be~~ ^{of authority} ~~delegated~~ to Chiefs of Field Stations to adjust within programs by shifting funds between projects or activities, not to exceed a fixed percentage, and within the total of funds available to the Station.